

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: April 23, 2010]²

Bill No. and sponsor: S. 2076 (Mr. Robert P. Casey Jr. of Pennsylvania).

Proponent name,³ location: PPG Industries, Pittsburgh, PA.

Other bills on product (111th Congress only): S. 1874.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Titanium dioxide, containing 80 percent or more by weight based on the dry matter (CAS No. 13463-67-7) (provided for in subheading 3206.11.00).

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Titanium dioxide (TiO₂) is an inorganic chemical that is used in the manufacture of a variety of coatings, plastics, paper, food, pharmaceutical, and cosmetic products. TiO₂ products are marketed in two crystalline forms. The majority of TiO₂ in the market is the rutile form (CAS No. 1317-80-2), which has a tetragonal crystal structure of prismatic habit. The anatase form (CAS No. 1317-70-0) has a tetragonal crystal structure of octahedral habit and is primarily used in the paper industry, although it is also used in plastics and coatings. The subject of this bill, TiO₂ containing 80 percent or more by weight based on the dry matter, has the same Chemical Abstracts Service registry number (CAS No. 13463-67-7) regardless of crystalline form and is provided for separately in HTS subheading 3206.11.00 if the pigment or preparation contains 80 percent or more of TiO₂. The five largest sources of U.S. imports of the subject product in 2008 were Canada,⁴ Finland, China, Japan, and Germany.

¹ Industry analyst preparing report: L. Johnson (202-205-3351); Tariff Affairs contact: David G. Michels (202-205- 3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Imports of the subject product from Canada may be eligible for duty-free access to the U.S. market under NAFTA.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3206.11.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6%	6%	6%	6%	6%
Estimated value <i>dutiable</i> imports ^a	\$290,000,000	\$305,000,000	\$320,000,000	\$335,000,000	\$350,000,000
Customs revenue loss ^b	\$17,400,000	\$18,300,000	\$19,200,000	\$20,100,000	\$21,000,000

a/ Dutiable import estimates were based on official U.S. Government statistics, and on industry information.

b/ At the request of Congress, estimated customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
PPG (Proponent) William Reis, 412-434-1717	11/27/2009	No	No	No
INVISTA, Inc. Max Turnipseed, 225-338-0310	11/27/2009	No	No	No
DuPont Elaine M. Olsen, 202-728-3625	11/27/2009	Yes	Yes	Yes
Kerr-McGee Corp. Lem Smith, 703-407-9789	11/27/2009	No	No	No
Lousiana Pigment Co. Mike Pratt, 337-882-7000	11/27/2009	Yes	No	No
Lyondell Chemical Co. Edlu J. Thom, 410-666-9339	11/27/2009	Yes	No	Yes
Millennium Inorganic Chemicals Inc. Fax: 410-229-5003	12/03/2009	Yes	No	No
Solutia Inc. John Hurley, 202-289-9800	11/27/2009	No	No	No
Tronox (formerly a Division of Kerr-McGee) Mark Van Landingham, 405-826-2456	11/27/2009	Yes	No	Yes

Technical comments:⁵ None.

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

111TH CONGRESS
1ST SESSION

S. 2076

To suspend temporarily the duty on titanium dioxide.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. CASEY introduced the following bill; which was read twice and referred
to the Committee on Finance

A BILL

To suspend temporarily the duty on titanium dioxide.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TITANIUM DIOXIDE.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.01.00	Titanium dioxide, containing 80 percent or more by weight based on the dry matter (CAS No. 13463–67–7) (pro- vided for in subheading 3206.11.00)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

